

EHG Sustainability Report 2024

EHG Stahlzentrum GmbH & Co OG

Company management

EHG Stahlzentrum GmbH & Co OG



EHG

EHG Sustainability Report 2024

EHG Stahlzentrum GmbH & Co OG

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Company management

Arno Rűf
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Locations

Dornbirn
Kirchham
Vienna

Size of workforce

~250 employees

Issue

Version 1.0, June 2025

This report contains gender-neutral language throughout.

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We strongly believe
that the path to
greater sustainability
must be taken
together.



Stefan Girardi

Arno Rűf

General disclosures (ESRS)

Foreword by the company management

Now more than ever, sustainability serves as a cornerstone of responsible business practice – environmentally, economically and socially. As the EHG Group, we consider it our duty to contribute to a future worth living. This responsibility extends far beyond our products and services. It begins in the daily work of every single employee, at all our sites and beyond – and does not end at the company's boundaries, but encompasses our partners, our customers and our entire supply chain.

As a long-established group of companies with strong regional roots and an international outlook, we know that sustainability is not a short-term trend, but an enduring mindset. It is about thinking long-term, acting with foresight and putting people front and centre of everything we do. Our employees are the heart of the EHG Group – their dedication, their ideas and their sense of responsibility play a key role in ensuring not only that we are economically successful, but also that we are consistently able to pursue social and environmental goals. That is why we are committed to a corporate culture characterised by mutual respect, participation, safety and security – now and in the future.

We see our regional presence in the DACH region, as well as in Romania and beyond, as an opportunity to actively contribute to the sustainable development of our locations and regions. Be it by supporting local training initiatives, strengthening regional economic cycles, or implementing targeted measures to reduce our environmental footprint – we embrace this role with conviction.

In our third voluntary sustainability report, we aim to provide transparency regarding the steps we have taken so far. As early as the 2022 financial year, we decided to systematically document and further develop our sustainability strategy and this report provides an insight into our goals and progress, as well as the challenges we face – openly, transparently and based on facts. The key performance indicators are summarised at the end of the report and digitally linked for ease of reference.

That is why management and staff are working hand in hand to achieve the ambitious goals we have set ourselves – with expertise, responsibility and keen focus on what really matters.

Arno Rüb

Stefan Girardi

**It is about thinking long-term,
acting with foresight and putting
people front and centre of
everything we do.**



» General disclosures (ESRS)

Business activities

EHG STAHLZENTRUM GmbH & Co OG is a wholesale company founded in 1963 and based in Dornbirn. The company, which is wholly privately owned, is one of the largest in its sector in Austria.



With the best-stocked warehouse in Central Europe, stocks weighing in at around 50,000 tonnes and over 20,000 items, we provide bespoke solutions to meet the requirements of our customers – steel and metal-processing companies, primarily from the commercial and industrial sectors. In all, the internationally active EHG Group has 11 sites in Austria, Germany, Switzerland and Romania, which together service all the needs of EHG's relevant sales markets in Europe.

The EHG Group's 425 employees share an important commonality: they act independently, think outside the box and constantly challenge the status quo. Working well means working together. That is why, at EHG, we place the greatest value on internal and external collaboration and mutual appreciation, regardless of role and position. We are highly efficient and achieve the best performance indicators in the sector. This requires permanent optimisation of processes and technologies and the continuous reviewing of our services.

Key differentiators that extend beyond traditional trade in steel include such core competencies as:

Prefabrication	Sawing, blasting, conserving, washing, barrel finishing and deburring.
Warehouse	Extensive range, with some customer-specific products held in stock.
Logistics	A modern and environmentally friendly fleet, HGVs equipped with unloading aids, fixed delivery times in the core region and customised delivery dates.
E-business	Online shop, EDI connections.
EHG Complete	Outsourcing of warehousing and processing services from customers to EHG, with digitalised order processing.

EHG aims to remain a leading provider and industry leader in our core markets.



» General disclosures (ESRS)

We strive to be a reliable and profitable partner for our target groups – steel and metal-working companies from heavy industry, commerce, crafts and trade.

The quality management system operated by EHG Stahlzentrum GmbH & Co OG was first certified in accordance with the requirements set out in the ISO 9001 standard in 1994 and has been continuously developed ever since. The procedure employed for monitoring supply chains is the responsibility of QM management and serves to ensure an impartial assessment through independence from the purchasing departments.

Materiality analysis

An analysis of the EHG value chain was conducted in 2024 to serve as the basis for the materiality analysis. This was developed in collaboration with members of the Wirtschaftsverband Großhandel Metallhalbzeug e.V. (WGM – the professional association for distributors and processors of semi-finished metal products) and as such with the involvement of key industry stakeholders such as manufacturers, suppliers and customers. A simplified illustration in Figure 1 looks closely at the material flow.

Based on the value chain, the framework and template for a dual materiality analysis were also developed in collaboration with WGM members.

The outcome will be evaluated and adapted by EHG in subsequent steps. The next stage is largely dependent on the as yet unclear legal requirements applicable to EHG, which are currently being revised at EU level.

The content of the current EHG sustainability report may differ from the requirements applicable in future and will be gradually adapted in subsequent versions to the standards, some of which are still to be defined. Due to the ongoing discussions at EU level, we anticipate either limited reporting obligations or continued voluntary sustainability reporting by EHG, with the latter likely to be based on the VSME standard in the future.

With reference to the stakeholders identified in the quality management system, the management team – together with a working group – selected the most relevant topics and key performance indicators for this sustainability report and provided a concise description of them.

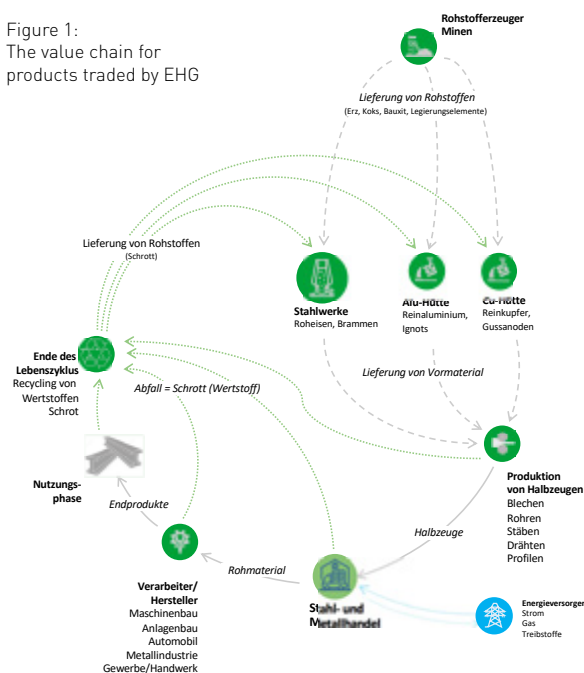
In line with the materiality principle, this report aims to document the current status of our sustainability work. It contains the information necessary to understand our company's sustainability performance and reflects the significant economic, environmental and social impacts of our company.

Supported initiatives

The UN Global Compact, a global initiative for sustainable business practices, the International Bill of Human Rights and the United Nations Convention against Corruption form the basis of the EHG code of conduct. The EHG Group adheres to the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, as well as international human rights provisions, and strictly rejects any form of modern slavery.

As a long-term goal, the EHG Group is aiming for climate neutrality by 2050 and assesses its planned investments and measures against this backdrop.

Figure 1:
The value chain for products traded by EHG



Locations

Location	Dornbirn
Address	EHG Stahlzentrum GmbH & Co OG Wallenmahd 54 6850 Dornbirn Austria
Contact	Tel. +43 5572 391-0 dornbirn@ehg-stahl.com
Employees	~250
Sector	NACE code G 46.721 Wholesale of ores, steel and semi-finished products
Purpose of the facility	The location of EHG's headquarters in Dornbirn is primarily used for the storage and processing of purchased steels and non-ferrous metals. Structures on the site comprise several warehouses and three office buildings, as well as an underground car park and a petrol station. The warehouses encompass storage floor space, automated high-bay racking systems and cranes, as well as band saws and circular saws for cutting the goods to size.

Location	Kirchham
Address	No. 33a 4656 Kirchham Austria
Contact	Tel. +43 7619 270 75-2620 kirchham@ehg-stahl.com
Employees	3
Sector	NACE code G 46.721 Wholesale of ores, steel and semi-finished products
Purpose of the facility	The premises rented in Kirchham serve solely as a sales office without warehouse facilities. The site is integrated into Dornbirn's management systems and processes and, due to its small size, is not treated separately.

Location	Vienna
Address	Leopold-Böhm-Strasse 10, Ebene D, Top D49-D51 1030 Vienna Austria
Contact	Tel. +43 1 203 31 51-2640 wien@ehg-stahl.com
Employees	3
Sector	NACE code G 46.721 Wholesale of ores, steel and semi-finished products
Purpose of the facility	The premises rented in Vienna serve solely as a sales office without warehouse facilities. The site is integrated into Dornbirn's management systems and processes and, due to its small size, is not treated separately.



Governance (ESRS)

The EHG code of conduct defines the basic principles for our conduct and correct corporate behaviour within the EHG Group. It is an expression of our company values, and at the same time this code of conduct is the basis for relationships with our partners and the public. The principles in this code are based on the UN Global Compact, a worldwide initiative for responsible business management.

Communication with staff and raising their awareness in relation to key sustainability issues takes place via the company's own intranet portal, EhGON (EHG Online).

Responsibility for compliance lies with the management and is not currently exercised by a designated individual or department. Following an external compliance audit, a legal register pertaining to EHG was created as part of the QM system and this is updated twice a year. Product standards are also managed and automatically updated within the QM system and shared across the company via a group licence.

The formal appointment of designated officers in April 2024 clarified our employees' responsibilities in relation to compliance according to legal requirements. Furthermore, from the 2025 financial year onwards, job descriptions will be stored digitally in the Personio HR system and reviewed or updated where necessary during the annual performance reviews.

Risk management and internal control (ESRS G1)

During the course of our business activities, our company is exposed to various risks that are inextricably linked to our commercial operations. Within the framework of our fundamental risk management approach, we only take on risks that can be managed using recognised methods within our organisation.

A detailed assessment of these risks is documented in our quality management system; the following is merely a summary and grouping of these risks in condensed form.

Supply chain risks

Our customers' continued trust depends on us adhering to high standards of quality and safety for our products along the entire supply chain. Across the procurement, manufacturing and distribution processes, our products are subject to a comprehensive quality assurance system certified to ISO 9001:2015.

Procurement risk is minimised by engaging multiple suppliers to mitigate risks such as unexpected delivery difficulties or unforeseen price increases resulting from market shortages or currency fluctuations. The company seeks to mitigate supplier-related risks through intensive market monitoring, the assessment of supply quality and long-term supply contracts to ensure favourable conditions of supply and prices, as well as the delivery of materials and the provision of services.

To avoid material shortages for our key accounts in specific product segments, increased safety stock is reserved for these customers according to the procurement situation.

EHG is dependent on a single supplier for only a very small number of products, as there is no second manufacturer for these products. It is therefore generally possible to turn to alternative suppliers and use standardised products. As such, our customers are not dependent on EHG and, in the event of an operational failure, would be able to turn to other retailers or suppliers – thereby minimising their own supply risk.

Since 2022, an additional risk assessment has been carried out on key suppliers with a turnover exceeding € 250,000, further to the annual supplier assessment. This added risk assessment is based on an abstract country and sector risk, which is supplemented by a supplier-level assessment for high-risk suppliers. In the 2025 financial year, there will be an additional focus on our code of conduct for suppliers and we will require our suppliers from third countries (non-EU) to adhere to this in future.



» Governance (ESRS)

Risks of human rights violations in the supply chain – particularly on the supplier side and in raw material extraction – cannot be dismissed due to the diversity of global sourcing channels: a lack of transparency regarding the exact origin of raw materials and the conditions under which they are extracted mean that this risk is almost impossible to control despite the utmost caution. Through the automated monitoring of negative reports concerning our suppliers and manufacturers on social media, we aim to identify potential violations or problem areas so that we can implement appropriate measures, including the suspension of suppliers. In addition, we mitigate general country risks by sourcing primarily within the EU, where availability permits this.

To enable the anonymous reporting of potential human rights violations, suspected cases or other legal infringements and breaches of our code of conduct, EHG has maintained a group-wide reporting platform since July 2023. The solution implemented by Flustron satisfies the legal requirements of the whistleblower protection act [HinweisgeberInnenschutzgesetz] and enables internal and external individuals to report any suspected cases to EHG anonymously via an external server. Associated internal responsibilities and the process itself are described in the QM system.

Alongside EHG's extensive fleet of 24 HGVs, the company also maintains long-standing partnerships with several freight forwarding companies. Any potential shortfalls in EHG's own fleet are also covered by trusted freight forwarding partners. Thanks to preferential procurement within Europe and sufficient lead times, shortages in sea freight have only a minor impact on security of supply.

Market risks

We mitigate distribution risks by ensuring that we build a broadly diversified customer base across sales regions and avoid concentrating our business in any one area; this enables us to avoid a situation where we might become dependent on a small number of large customers.

Our broadly diversified customer base protects us from individual declines in demand having a potentially

existential impact on the continued existence of our company. Our largest customer accounts for around just 2% of total turnover.

Green and low-carbon steels' are becoming increasingly important in the market, even though there is currently no universally accepted definition or specification for these materials. In general terms, it is expected that the demand for low-carbon products will increase in the medium to long term, and that conventional steels and metals produced in blast furnaces will be displaced from the market as soon as sufficient supply is available from manufacturers.

This switch to low-carbon steels carries a certain risk, as market demand and availability are difficult to predict, and excess or insufficient stock levels can have a negative impact on tied-up capital and turnover. Due to EHG's limited storage capacity, it is currently not feasible for EHG to maintain separate stock levels of conventional and low-carbon steels and metals on a large scale; moreover, such an approach would not be economically viable.

Operational risks (EHG)

We address risks relating to the availability, reliability and efficiency of our IT systems through ongoing adaptation measures. A cross-departmental team has been tasked with implementing an IT security manual to ensure the best possible protection through specific measures and guidelines. Experience and outcomes have shown that this is one of the greatest threats to the EHG Group and our partners, and we therefore address it with the appropriate level of priority. The IT department is supported in this by external experts. In addition to a comprehensive external security audit in 2021, a further external security audit took place in December 2023, focusing on rights and user management in the active directory. Detailed IT risks are also being documented and assessed in the QM system from 2025 onwards.

The migration from the Dornbirn site to the new ERP system eNventa is planned for the end of the 2025 financial year. The previous migration implemented at other EHG sites has standardised processes across

the group and brought them into line with current legal and industry standards, whilst also providing valuable experience for the implementation at the largest site in Dornbirn. This phased migration and adaptation has minimised the risk of prolonged downtime or significant delivery delays for customers.

Comprehensive documentation for the new ERP system has been created in Help&Manual, which is accessible to all employees online to provide support and serve as a training resource. This is kept up to date by the departments and makes it easier for future new employees to settle into their daily work and familiarise themselves with EHG processes.

Older operating equipment is replaced on an ongoing basis to ensure reliable processes and avoid a subsequent backlog of investment. Almost all sawing orders can be processed on multiple machines, which helps to offset downtime and bottlenecks on individual machines, while downtimes and machine failures are further minimised by an extensive on-site stock of spare parts, as well as a service contract with our main supplier of saws and high-bay racking systems. In summer 2025, a general overhaul (retrofit) of our stainless steel high-bay warehouse, including the guide rails, will take place to ensure trouble-free operation over the coming years.

Operational downtimes are covered by business interruption insurance. For direct and indirect damage caused by our products, we hold public liability and extended product liability insurance with maximum cover of € 500,000.

The most recent comprehensive internal audit of all operational facilities, carried out in 2023 in accordance with Section 82b of the Gewerbeordnung [GewO; Trade Regulation Act], helps us to optimally satisfy the regulatory requirements and safety standards.

Full refurbishment of the main distribution room for the low-voltage supply across the entire site will be completed in the second quarter of 2025, bringing it up to the latest technical standards. This will enhance the

safety of the distribution systems and with it operational reliability at the Dornbirn site.

We do not anticipate any direct impact or only a negligible impact on the EHG site in Dornbirn resulting from climate change. The site is not at risk from severe weather and is located in a socially and politically stable region. Indirect impacts, such as migration flows caused by climate change and the associated effects on the market, also appear to be rather marginal – at least from the current perspective.

To retain our senior staff and key experts within the company, we maintain attractive remuneration packages and offer a wide range of opportunities for professional development and advancement within our business territories. Through additional voluntary benefits, we aim to establish ourselves as an attractive employer in the region and offer our employees added value.

Financial risks

The financial instruments reported on the balance sheet are subject to the company's general risk management framework, which is reflected in its accounting and reporting policies.

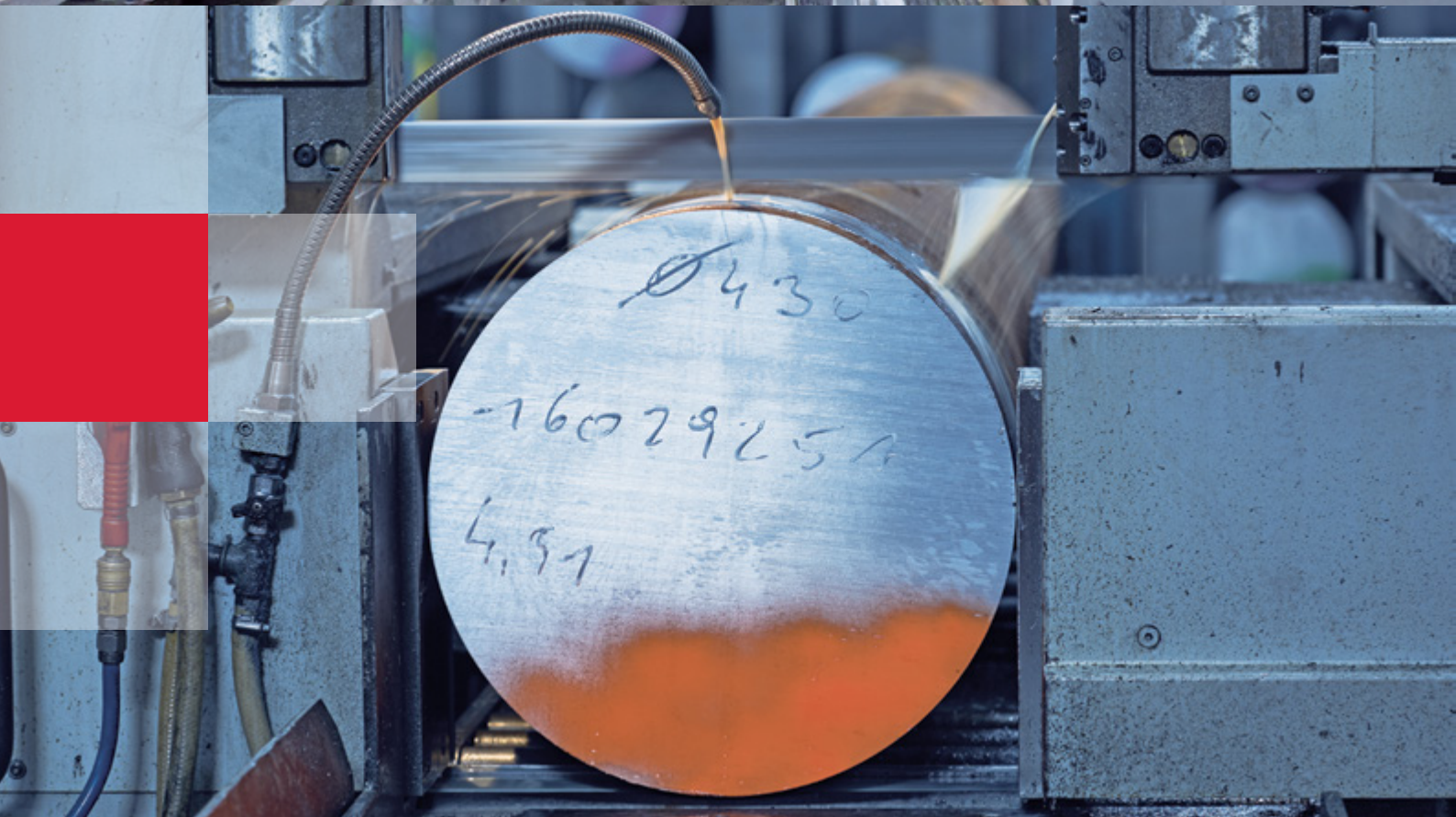
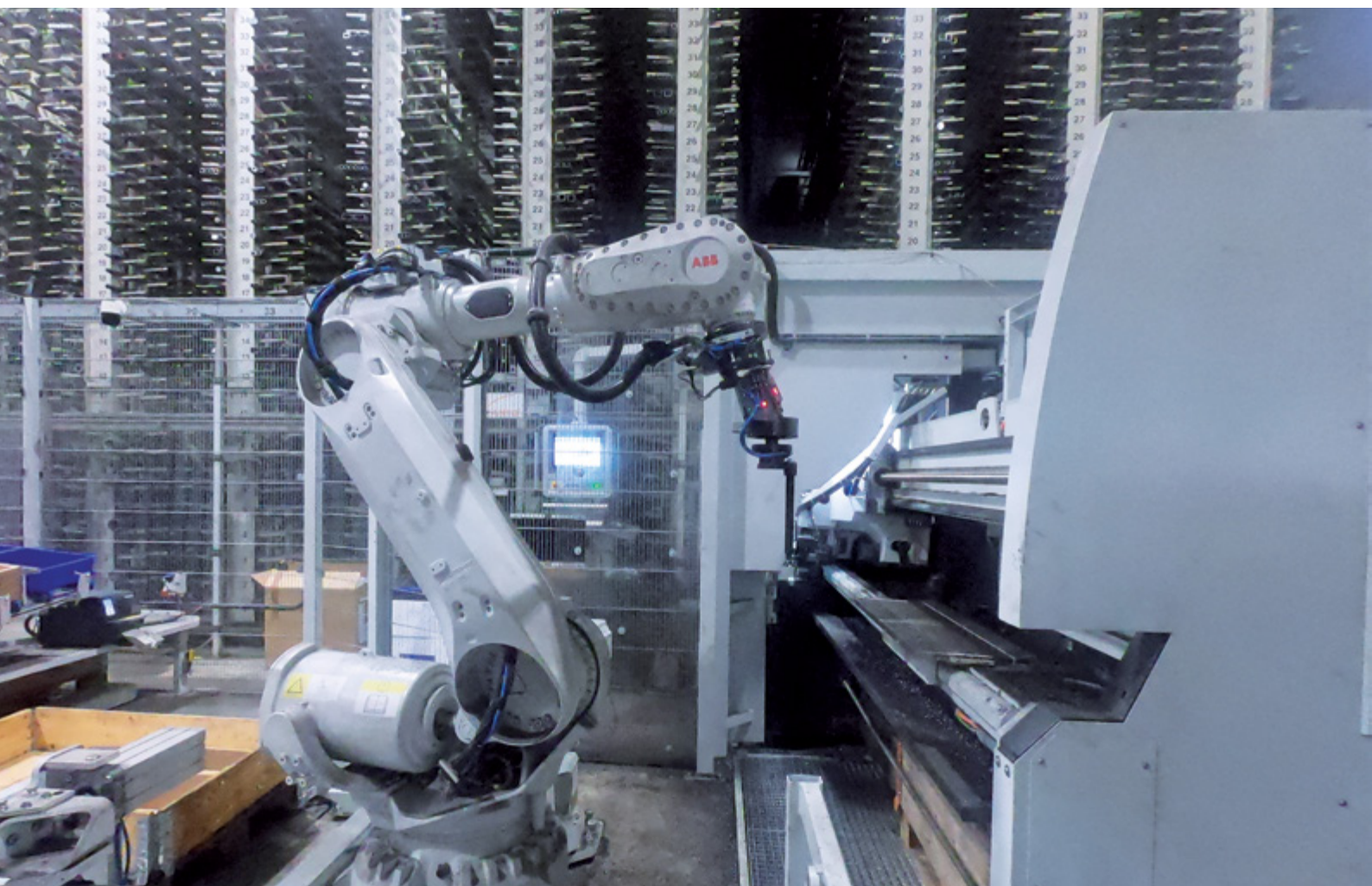
Our accounts receivable management focusses on the full and timely collection of receivables. Defaulted payments from customers in Eastern Europe and India are also covered by credit default insurance.

The company operates internationally and is therefore exposed to foreign exchange risk (specifically CHF). However, the company also generates revenue in foreign currencies, which mitigates the foreign exchange risk. We address the risk of insufficient liquidity through long-term committed credit facilities.

The liquidity reserves deemed necessary – defined as cash plus committed, undrawn credit facilities – have been appropriately adjusted and are available in sufficient quantities.

Our management report and financial conduct are audited by auditors Audit Partner Austria Wirtschaftsprüfer GmbH in Vienna.





» Governance (ESRS)

Measures G1

Measure	Description	Timeframe
Legal register	Half-yearly update of the legal register for all relevant laws at the Dornbirn site	Ongoing
Standards database	Automatic update of relevant standards in the QM system	Ongoing
Whistleblower platform	Implementation of the whistleblower policy by setting up a group-wide reporting platform (Flustron)	Since 2023
Security audit Active directory	External IT security audit focusing on user management (active directory)	12 / 2023
Audit per Section 82b GewO	Completion of the internal audit of all operational facilities and notifications in accordance with Section 82b GewO	02 / 2024
Appointments	Transparent appointment of representatives with clear responsibilities and documentation in the QM system	Q2 / 2024
IT security manual	Implementation of an IT security manual to ensure protection against IT failures	2025

Business practice (ESRS G2)

Detailed information regarding business practice and conduct is set out in EHG's annual report and is not repeated here. Only the most important statements and assessments from this report have been included below.

Measures G2

Measure	Description	Timeframe
ERP introduction at Aichach	Introduction of eNVenta as the new ERP system at the EHG site in Aichach	01 / 2024
ERP introduction at Heubach	Introduction of eNVenta as the new ERP system at the new EHG site in Heubach	05 / 2024
ERP introduction at Baienfurt	Introduction of eNVenta as the new ERP system at the new EHG site in Baienfurt	08 / 2024
ERP migration	Migration of the EHG sites in Dornbirn and Altstätten	01 / 2026
Implementation of sustainability reporting (CSRD)	The requirements are currently being revised and agreed at EU level; therefore, this matter is currently on hold	Pending
Implementation of the taxonomy regulation	The requirements are currently being revised and agreed at EU level; therefore, this matter is currently on hold	Pending



Environment (ESRS)

Climate change (ESRS E1)

Steel production is particularly carbon-intensive. Around 28 per cent of Germany's total industrial carbon emissions are generated during steel production. A large proportion of these carbon dioxide emissions is caused by the combustion of coke during the production process. Further relevant emissions are attributable to the use of electricity generated from fossil fuels. The steel industry is therefore one of the most energy-intensive industries.

Determining the product carbon footprint (PCF) across the supply chain presents a challenge. As a retailer, EHG is largely dependent on information from upstream actors and processes, which is currently rarely available or shared. In order to provide our customers with reliable information about the product carbon footprint, we employ a transparent calculation method. Until reliable figures for the product carbon footprint are available from suppliers, we will continue to use the typical CO₂ values published by the EU in the context of CBAM as the basis for internal calculations. These are available for all major countries of EHG suppliers, with an average having been calculated for EU member states.

The EU's carbon border tax (or Carbon Border Adjustment Mechanism (CBAM)) also has administrative implications for EHG. This is true in particular for imports from India, which we currently still handle ourselves within our stainless steel range, whereby the measures required in order to comply with reporting obligations in 2024 have been implemented.

Most products from non-EU countries are imported by the foreign manufacturers themselves and delivered 'duty-paid', or we purchase them via EU import companies, known as traders. The obligation to register lies with the customs declarant, which is why EHG endeavours to avoid acting as the customs declarant in the customs documents. The aim of EHG remains to achieve this with as many trading partners as possible.

It is currently unclear from when and to what extent the CBAM border tax will affect the price of imported

goods, due to possible changes to the legal basis. As things stand, however, this could already be the case by the start of 2026.

Since 2021, the Dornbirn site has been powered exclusively by renewable energy sources, meaning that the site does not produce any carbon emissions and generates no radioactive waste. Its reliance on the external supply of electricity has reduced by approximately 12% following the commissioning of the site's own photovoltaic system. Last year, the PV system installed in Dornbirn produced a total of 299 MWh of electricity, of which 96% was used on-site, whilst the remaining 13,343 kWh was fed into the public grid and therefore sold.

The planned PV system at the new site in Aichach was installed during the construction work, with commissioning scheduled for spring 2025. There are no plans to install a photovoltaic system at the Heubach site for economic reasons.

The lighting systems in buildings E and G on the Dornbirn site already use energy-saving LED bulbs. The work required to change building H over has been postponed until 2026.

In the last financial year, the large blasting plant at the EHG site in Dornbirn was fully upgraded. Newer technology, control systems and energy-efficient motors are helping to reduce energy consumption.

The use of hydrotreated vegetable oil (HVO) diesel could reduce diesel-related emissions by up to 90%. However, as most of our forklift trucks are unable to run on HVO diesel, a partial switch to HVO diesel for HGVs alone is not without risk. A decision regarding potential implementation will be made in summer 2025 with consideration to the financial implications.

The external energy audit, which is conducted every four years, took place once again in the 2024 financial year. The resultant recommended further measures for optimising energy consumption are being implemented on a step-by-step basis.



» Environment (ESRS)

Far-reaching changes to the production process are required in order to make carbon savings in the steel industry. In what is known as 'direct reduction' – a process that is set to be used in future for the production of green or low-carbon steel – hydrogen (or natural gas on a transitional basis) is used as a reducing agent. Like scrap metal, the sponge iron produced in this process can be subsequently melted down in an electric

arc furnace using electrical energy and processed into steel. A shift in the products traded by EHG depends largely on availability on the supplier side. Alongside targeted procurement, the recycling of scrap waste collected by EHG is the only direct, significant factor influencing the upcoming transition in the steel industry.

Measures E1

Measure	Description	Timeframe
Renewable energy	Electricity sourced exclusively from renewable energy sources	From 2021
Operation of a photovoltaic system in Dornbirn	In-house photovoltaic system with a capacity of 362 kWp on the roofs of the EHG site in Dornbirn	From 03 / 2023
CO ₂ transparency	Standardisation of the calculation of carbon emissions for Scope 1 and 2	2023
Upgrade of large blasting plant	Energy savings through improved control systems and more efficient motors	Q3 / 2024
Energy audit	Energy audit conducted by an external service provider, including assessment of the current situation and specific recommendations	Q3 / 2024
Implementation of CBAM	Implementation of the CBAM (Carbon Border Adjustment Mechanism) regulation	From 2024
Calculation of Scope 3 emissions	Standardisation of the Product Carbon Footprint (PCF) calculation for customers	End of 2024
Commissioning of the Aichach PV system	Commissioning of the photovoltaic system at the new EHG site in Aichach	Q1 / 2025
Evaluation of HVO diesel	Evaluation and decision on the use of HVO diesel for the HGV fleet and forklift trucks	Q2 / 2025
Switch to LED lighting	In building H, there are plans to convert the lighting system from fluorescent lamps to more energy-efficient LED lighting	2026

Environmental pollution (ESRS E2)

In line with our environmental policy, one of our primary objectives is to prevent waste and minimise the use of resources, raw materials and energy insofar as possible. Through a well-thought-out and documented waste management strategy, we aim not only to prevent waste but also to ensure that the greatest possible proportion of waste is recycled in a way that conserves resources. In the last financial year, the proportion of waste recycled as raw materials stood at 97.5%.

Since 2022, all HGVs in our fleet have been converted to the lowest emission standard, EURO VI. Regular training courses instruct our fleet employees on how to drive economically and focus in particular on reducing fuel consumption and lowering emissions. Special evaluation and route planning software reduces driving distances and analyses optimisation potential in driving behaviour.

The paints used by EHG for the preservation of blasted steel are water-soluble and contain no environmentally harmful perfluoroalkyl and polyfluoroalkyl substances (PFAS).

EHG sees the prevention of radioactive waste as a key sustainability objective, given the long-term consequences of a lack of recycling and the risks to the environment and humankind associated with the final disposal of spent fuel elements. Specifically with regards to our own energy consumption, we manage



without nuclear energy by using renewable energy sources, thereby preventing the generation of radioactive waste – at least indirectly.

Hazardous waste accounts for 0.85% of the total volume of scrap, primarily arising from the disposal of batteries and light bulbs, with over 99% of this being sent for material or thermal recovery.

→

Measures E2

Measure	Description	Timeframe
PFAS-free additives	Use of PFAS-free additives only	Ongoing
Driver training	Fuel and emissions reduction through targeted driver training	Ongoing

» Environment (ESRS)

Water and marine resources (ESRS E3)

In 2024, EHG's water consumption totalled 2,008 m³ and was used primarily for lubricating saw blades, cleaning circulation tanks, preserving blasted parts and supporting building services that require additives.

The vast majority of the water consumed can be discharged untreated via the sewage system; only 1% of the water consumption is collected via oil separators and disposed of as oil-contaminated water. After disposal, this oil emulsion is processed in a chemical-physical treatment plant (CPTP) and the emulsion is separated by flocculation. The oil fraction recovered in this way – amounting to around 4% of the input volume – is then returned to a refinery for material recovery. The separated water, which accounts for around 95% of the separated emulsion, is fed into the sewage treatment plant, while the remaining separated solids are subsequently sent to a downstream thermal recovery plant.

The classification of solid lead as "very toxic to aquatic life with long-lasting effects" under the CLP Regulation, effective from 1 September 2025, has direct implications for the market and for EHG. As a result of this classification, lead and alloys containing lead

above a certain content will be classified in the future as falling under the Seveso Directive and as 'dangerous substances'.

This will result in stricter requirements, including stipulations regarding the storage and transport of lead raw materials. Manufacturers and processors of these alloys must therefore prepare for increased requirements and the associated costs and investments.

Semi-finished products, such as bars, tubes, sheets and profiles, etc., are generally not subject to the CLP classification rules. The regulation focuses on intermediate products, which means that the stricter requirements for storage and transport do not apply to semi-finished products. However, the lead content must also be considered in the classification of waste (e.g. swarf), although current estimates indicate that this would have no direct impact on the EHG Group.

Some suppliers have already announced that they wish to avoid the costs and effort associated with this change and will therefore switch to lead-free alloys by 2025. EHG views this transition as an opportunity and is proactively working to drive forward the switch to lead-free alternative alloys among its customers.

Measures E3

Measure	Description	Timeframe
Water treatment using CPA	Collection and treatment of waste water containing oil emulsion with the CPA method at the disposal facility	Ongoing
Switch to lead-free products	Engaging with the market to encourage customers to switch to alternative, lead-free products at an early stage	Ongoing



Biodiversity and ecosystems (ESRS E4)

Steel production sometimes has a significantly negative impact on sensitive ecosystems, primarily due to the extraction of raw materials. It is practically impossible for the EHG Group to influence the extraction conditions and sources of raw materials; at best this is indirectly possible through the selection of suppliers.

For years, the EHG Group has given preference to European suppliers. In addition to the higher quality standards and stricter environmental regulations at European plants, this has positive effects in particular due to shorter transport distances. Furthermore, we

assume that, due to applicable laws and regulations, European suppliers also pay greater attention to the supply chain and as such to raw material sources and mining conditions.

Given that some products and grades are not manufactured or supplied by any European plants, it is sometimes necessary to supplement the product range with goods from suppliers based in third countries. Generally speaking, it is not possible to confine procurement exclusively to Europe, partly due to the origin or scarcity of certain raw materials.

Measures E4

Measure	Description	Timeframe
Sourcing in Europe	Sourcing from European suppliers with stricter environmental standards and shorter transport routes	Ongoing

Use of resources and circular economy (ESRS E5)

Steel is a particularly sustainable material that can be recycled indefinitely without any loss of quality. As a result, it outperforms other materials and saves millions of tonnes of ore, coal and other resources worldwide.

Thanks to effective waste separation, 97.5% of the waste generated at EHG was sent for material recycling, and only 0.1% was consigned to landfill. The remaining 2.5% was sent for thermal recycling. In 2024, the recycling of EHG's waste in Dornbirn there-

fore saved 5,066 tonnes of CO₂ equivalent (compared to the use of primary raw materials).

EHG participates in the ARA collection and recycling system, in accordance with the applicable packaging ordinance. The quantities of commercial packaging placed on the market are recorded and reported, and the corresponding licence fee is paid.

Our customers receive an annual statement confirming that their obligations have been satisfied.

Measures E5

Measure	Description	Timeframe
Waste separation and recycling	97.5% material recycling of waste	Ongoing
Exempt packaging	All purchased packaging is licensed by ARA and exempt	Ongoing
Waste management plan	Waste disposal and prevention in accordance with the defined waste management plan	Ongoing

Social (ESRS)

Our workforce (ESRS S1)

Our employees are the cornerstone of our success, which is why we intend to place greater emphasis on staff training. A modular programme of continuing professional development is being devised under the name EHG Campus, for new employees and long-serving specialists alike, designed to impart the necessary skills and build on them over the years. The programme encompasses a broad range of disciplines, with our in-house expertise enhanced by the contributions of external specialist trainers. The first modules were launched in autumn 2023, and based on this experience the programme is set to be expanded over the coming years.

EHG is a training company recognised by the state of Vorarlberg, underscoring the importance the company places on training young people. A rotation programme gives apprentices the opportunity to gain insights into different areas of the business, while additional visits to suppliers and customers take place several times a year, enabling apprentices to exchange experiences with one another and gain valuable insights into the manufacture and use of our products. Apprentice outings and other initiatives (such as an Erasmus exchange for apprentices in 2025) also allow apprentices to develop their social and creative skills.

All employees in Dornbirn have access to a social area in the canteen and a freshly cooked lunch subsidised by the company, with meals focused on regional and fresh ingredients, short transport routes and value creation within the region. The social area offers opportunities to meet up with colleagues during staff free time and to participate in activities together such as playing pool, table football and darts.

All staff are invited to take part in the annual outing or family day and the end-of-year party. An EHG running group is open to staff and promotes health through

exercise, and further group activities such as skiing days, motorbike trips or other departmental events are organised throughout the year. Retired EHG staff also have the opportunity to use the canteen and get involved in events. Long-serving employees are honoured annually with a special celebration, receive awards and are featured on the company's intranet pages, and once a year the children of our employees have the opportunity to shadow their parents at work as part of a 'bring your child to work' day. As at 31 December 2024, EHG employed three people with disabilities who were fully integrated into day-to-day working life; according to the prescribed counting method, these are the equivalent of five disabled employees. Unfortunately, it was not possible to meet the statutory quota of 10 disabled employees in the last financial year due to staff departures.

A company doctor and the occupational health team ensure a safe and healthy working environment, while an independent assessment of safety risks is carried out by an external safety expert from the BWK safety technology centre in Dornbirn.

An underground car park is available on site for employees to use free of charge. In 2024, 44 employees made use of the company-paid Jobticket travel pass for free use of public transport throughout Vorarlberg, on the condition that the company's underground car park is used on average only once a week.

By taking advantage of tax benefits and other incentives, since 2024 our employees have had the option to purchase an electric bicycle through a dealer and pay for it in monthly lease instalments, with the option to buy the bike at its residual value at the end of the lease term. This scheme was taken up by 72 employees for the first time last year. Additional costs for wear-and-tear insurance and servicing packages are also covered by EHG.

Measures S1

Measure	Description	Timeframe
Jobticket travel pass	Free use of public transport throughout Vorarlberg, with restricted car use	Ongoing
Canteen	Freshly cooked lunch menus made with regional ingredients for all employees and retirees	Ongoing
EHG Campus	Development of a platform offering internal and external training opportunities on various topics	Since 2023
Work bicycle	Electric bike for work with insurance for employees, supported by tax incentives	From 2024

→



» Social (ESRS)

Workforce in the value chain (ESRS S2)

When selecting business partners, in addition to thinking about purely economic aspects, we also consider ecological and social criteria. We will not accept anyone who infringes environmental regulations, exploits employees, permits inhumane working conditions or child labour, or operates in legal grey areas as a business partner.

The supply chain often spans multiple distributors and countries and, due to the sources of raw materials and inputs frequently lacking in transparency, carries a correspondingly high risk of human rights violations. To address and minimise this risk as effectively as possible, the EHG Group has been relying on the support of IntegrityNext since 2023 as a portal for supplier information and the monitoring of negative reports on the internet.

Employees are not equally protected by law against child labour, exploitation or discrimination in all of our suppliers' countries of origin. In addition to the careful selection of our suppliers and our focus on European countries of origin, the country ranking in our supplier monitoring system is also intended to help identify and reduce risks in the supply chain. In future, we will require suppliers from third countries (non-EU) to sign a supplier code of conduct to ensure fundamental human rights and fair working conditions

Since 2022, supply chain monitoring has placed a greater focus on the issue of conflict minerals to ensure that these originate exclusively from responsible and conflict-free sources. Of the conflict minerals defined by law, within the products we trade only tungsten is currently used as an alloying element in a few high-quality steels, and tin as an alloying element in bronzes. Contamination with the minerals mentioned cannot be ruled out and – particularly due to the recycling of scrap metal – their origin cannot be traced.

No metals traded by the EHG Group are listed in Annex I, Part B of EU Regulation 2017/821; as such, we do not fall within the scope of Article 1 of this regulation governing conflict minerals. Nevertheless, we continue to focus our efforts on achieving the best possible transparency in the supply chain for the products concerned, extending right back to the smelter of the conflict minerals. Feedback from the relevant suppliers in response to our enquiries in this regard is also incorporated directly into the supplier risk assessment.

The systematic logging of the management systems used by our suppliers is intended to enable a better assessment of our suppliers' business practices and certifications, based on which the risk profile of suppliers can be refined, thereby enabling more targeted measures and enquiries to be initiated.

Measures S2

Measure	Description	Timeframe
Long-standing partnerships	Freight forwarders, suppliers	Ongoing
IntegrityNext	Supplier monitoring and abstract risk assessment (country and sector risk)	Since 2023
Supplier code of conduct	Apply the EHG code of conduct to suppliers in third countries	2025

Affected communities (ESRS S3)

In 2022 and 2023, a comprehensive internal audit was performed for all operating facilities and official notifications in accordance with Section 82b GewO. EHG commissioned the BWK safety technology centre in Dornbirn to carry out this audit. The auditor was able to present the final documentation and test certificate in February 2024. All official notifications issued for the approved operation of the facilities were reviewed to ensure up-to-dateness and compliance, and the current status was documented. As these notifications often contain conditions regarding the reduction of hazards, disruptions and other negative impacts on the community, the audit addressed not only compliance but also a key aspect of public interest.

The next step is to digitalise the notifications and requirements and link them to monitoring periods and

actions. The next internal audit pursuant to Section 82b GewO will take place in 2029.

EHG is located in a larger industrial area in Dornbirn, meaning that there are practically no private residents in the neighbourhood who are directly affected by the business. Nonetheless, EHG naturally endeavours to maintain the best-possible and conflict-free relationship with all surrounding private and commercial neighbours, efforts that are clearly successful with no complaints or proceedings pending in this regard.

EHG supports selected associations – particularly those with a connection to employees – and the company therefore acts as a sponsor for the local football club SCR Altach. As part of its Christmas campaign, the company supports regional social projects and institutions.

Measures S3

Measure	Description	Timeframe
Club sponsorship	Support for local clubs and associations	Ongoing
Update on Section 82b audits	Audit of the production facilities and official notifications, including associated conditions	Q1 / 2024

Consumers and end users (ESRS S4)

As a rule, EHG does not supply products directly to end consumers, as we deal exclusively in raw materials and semi-finished products. The vast majority of products manufactured by our customers are reused or processed within industry and, with very few exceptions, will not end up as standalone products with consumers. The most common point of contact with end customers is likely to take the form of a machine component incorporated into consumer goods; howev-

er, this is never under the EHG brand and always under the technical responsibility of a direct or indirect EHG customer.

For several years now, orders and collections have no longer been possible for private customers, with the sole exception of employees of the EHG Group. Due to the lack of direct relevance, no further measures, risks or opportunities have been defined in this regard.

Measures S4

Measure	Description	Timeframe
None		



EHG 

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EHG sustainability in figures

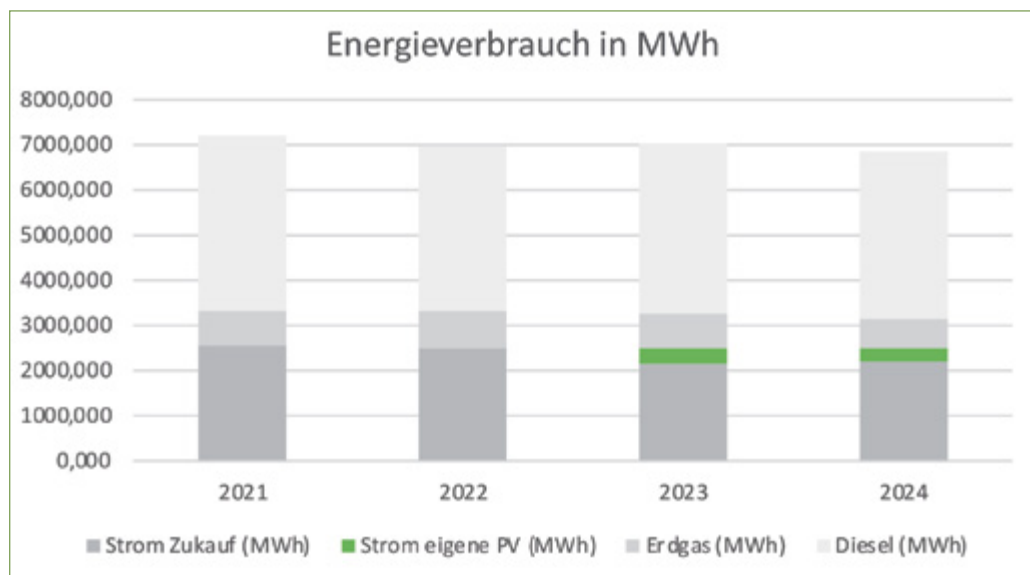
The key figures presented below have been selected to provide data to support the topics discussed previously. Each key figure includes a reference and a link (in brackets) to one or more relevant ESRS chapters.

Key figures that do not represent annual consumption were calculated as at 31 December 2024. For example, the personnel figures therefore reflect the situation at the end of the year and do not take into account fluctuations during the financial year.

Energy use and carbon footprint

Energy consumption (ESRS E1 [↗](#))

Energy consumption at the Dornbirn site comprises natural gas, electricity and diesel fuel as follows:

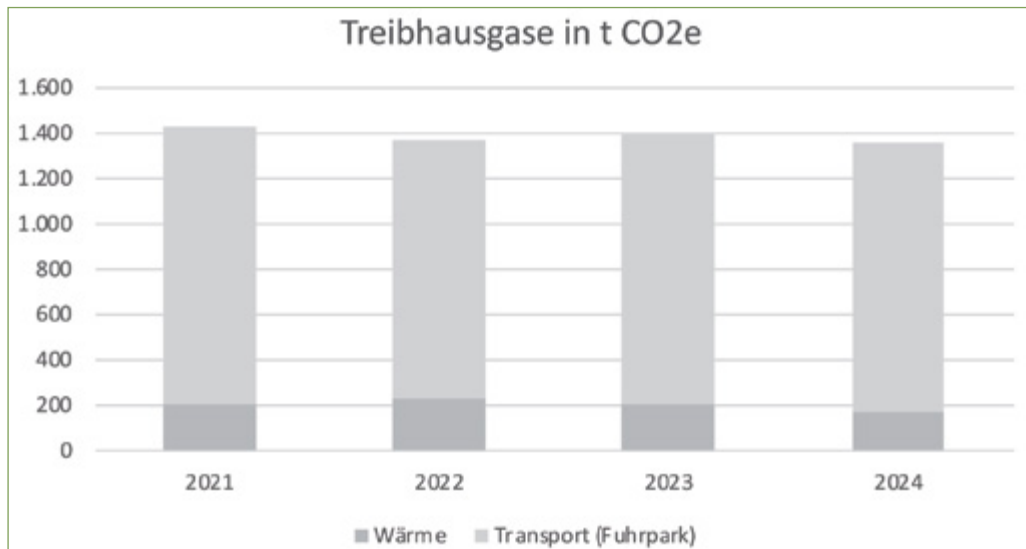


The surplus electricity from our own photovoltaic system, which was fed into the grid, amounted to 13.343 MWh last year and was not counted as a reduction in our own emissions.

» EHG sustainability in figures

CO₂ emissions – Scope 1 (ESRS E1 [↗](#))

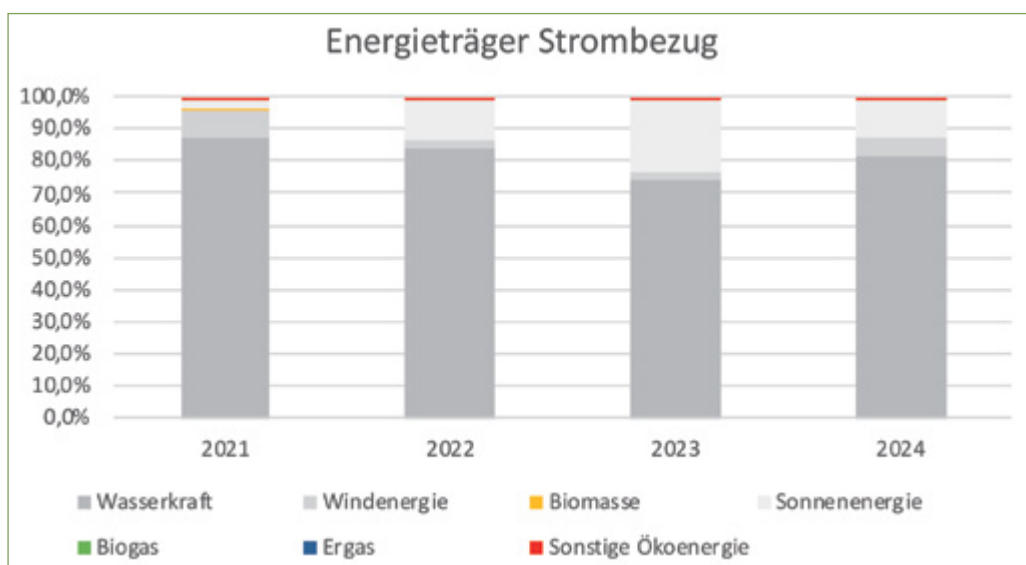
The direct emissions shown below for the 2024 financial year resulted from the use of natural gas for heat generation and diesel for the company's own transport of deliveries to customers, as well as the use of diesel forklift trucks.



CO₂ emissions – Scope 2 (ESRS E1 [↗](#))

There is no need to present indirect emissions from energy procurement, because – according to VKW's electricity labelling – all electricity consumption at the site has come from emission-free, renewable energy sources since 2021.

The electricity mix in 2024 consists of the following energy sources:



CO₂ emissions – Scope 3 (ESRS E1 [↗](#))

There is currently no reliable data available to present Scope 3 emissions based on supplier information, as the reporting of emissions figures from the upstream value chain remains very limited.

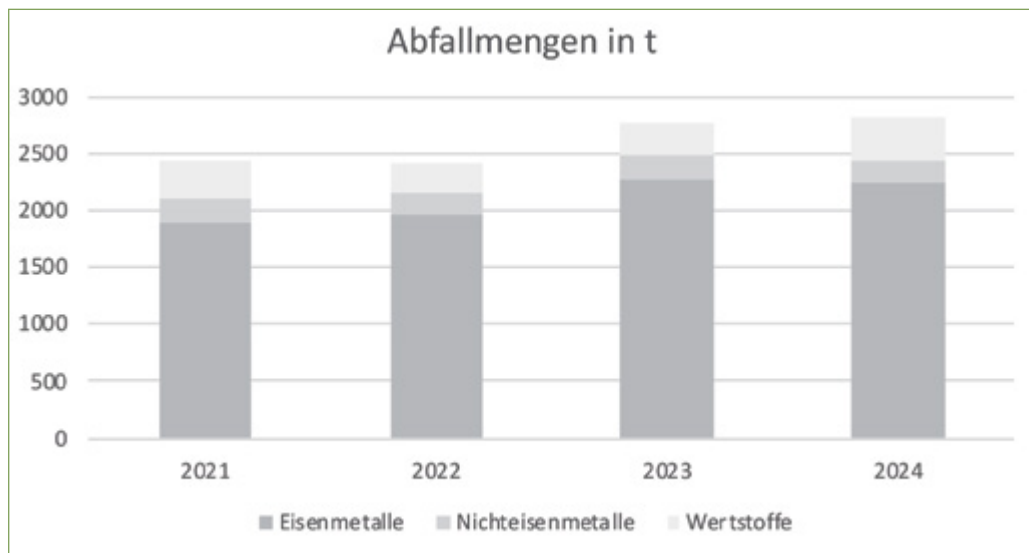
The product's carbon footprint is calculated on the basis of typical CO₂ values as set out in the EU's CBAM publication, unless the supplier has provided their own emissions data. From 2025 onwards, on request our customers will receive confirmation based on this calculation method detailing the emissions associated with the products we have supplied to them over a defined period, for example the previous year.

Circular economy and the environment

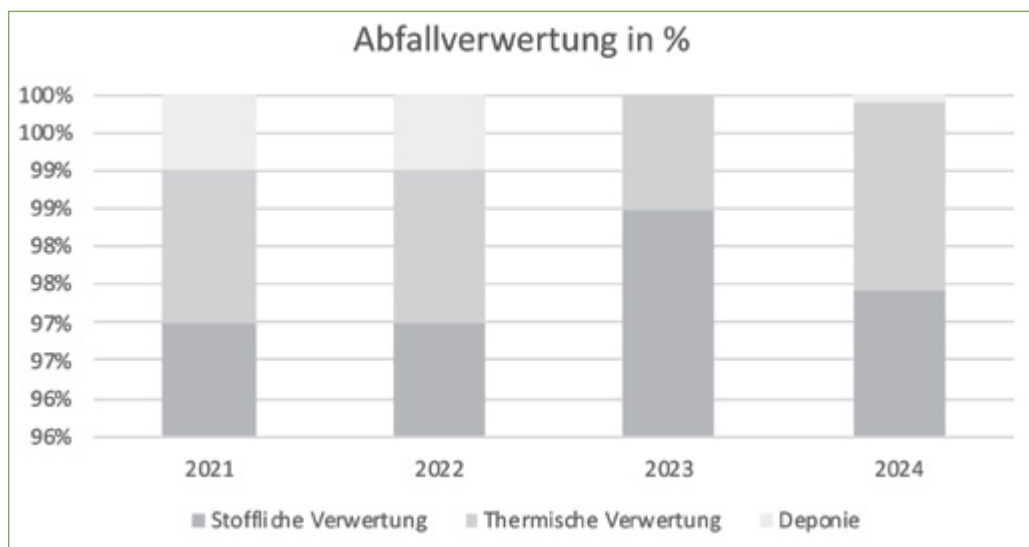
Waste from EHG is an important source of raw materials and reduces environmental impact through huge savings in carbon emissions compared to primary production based on raw material extraction without the use of scrap.

Recycling rate (ESRS E2 [↗](#), ESRS E5 [↗](#))

The volume of waste in 2024 remained almost unchanged from the previous year at 2,806 tonnes. Recyclable materials collected, excluding iron and metal scrap, accounted for 13.3%.



97.5% of the waste collected and disposed of by EHG was sent for material recycling and 2.5% for thermal recycling. Only 0.1%, or 1.53 tonnes, became landfill.

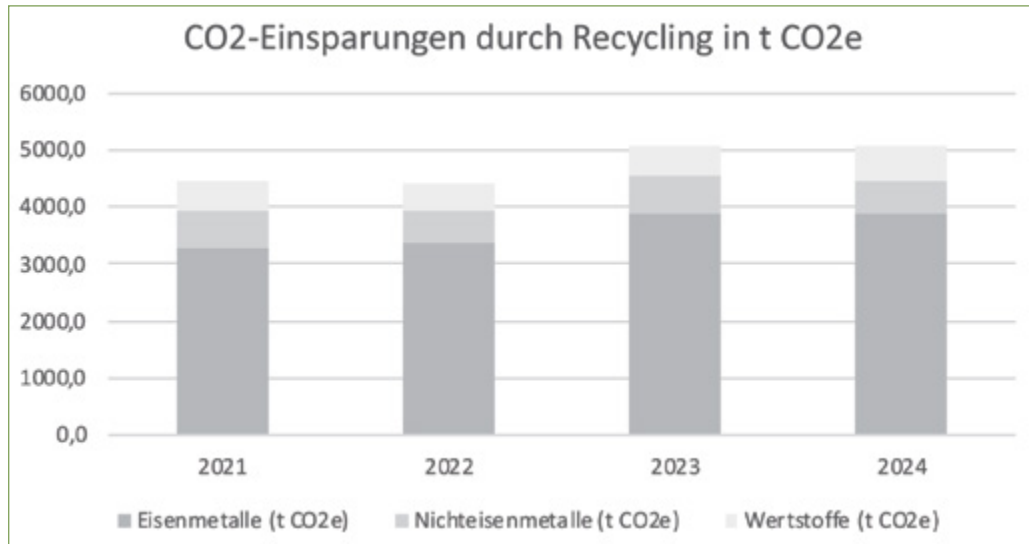




» EHG sustainability in figures

CO₂ savings through recycling (ESRS E1 [↗](#), ESRS E5 [↗](#))

The material recycling of steel and metal waste can result in significant CO₂ savings compared to primary production from raw materials. The following savings from recycling relate to the waste volumes recycled by EHG Dornbirn.



Hazardous waste (ESRS E2 [↗](#))

EHG generates very little hazardous waste from its regular business operations. This waste primarily arises directly from oil-contaminated waste and indirectly from the disposal of batteries, light bulbs and electrical appliances. Of the total volume of hazardous waste, amounting to 24 tonnes, oil-contaminated water from the sawing facilities accounts for the largest share at 10.7 tonnes. EHG does not carry out any hazardous goods transport itself; this is handled solely by the contracted waste disposal company, which collects the hazardous waste from the EHG site.

Water consumption (ESRS E3 [↗](#), ESRS E5 [↗](#))

Almost all of the water used by EHG can be returned to the water cycle without further treatment. Only contaminated and oily water is separated, collected by the waste management company and treated before it is also returned to the water cycle via a sewage treatment plant. At 1% of total water consumption, this represents a very low level of contamination, most of which can be removed through subsequent treatment.

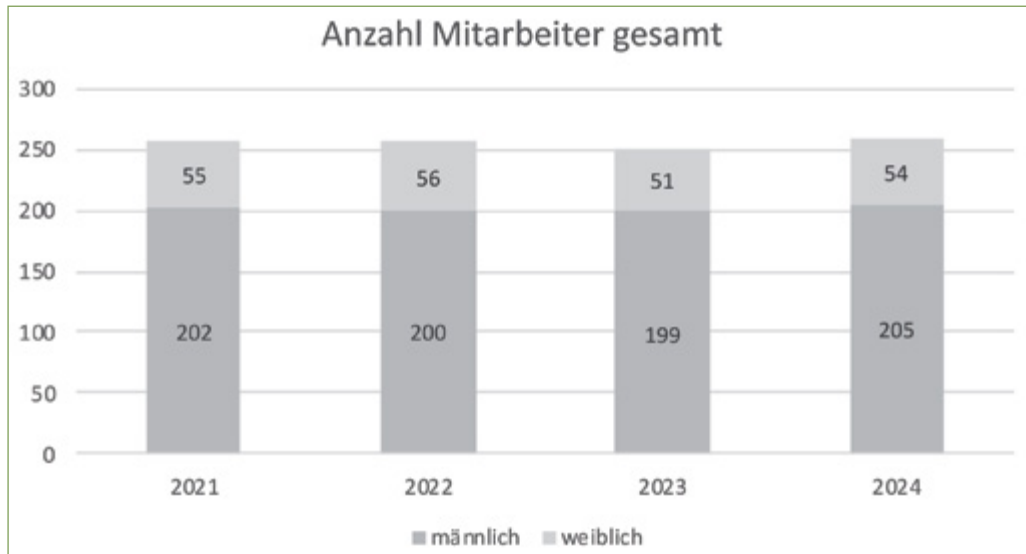


» EHG sustainability in figures

Employees

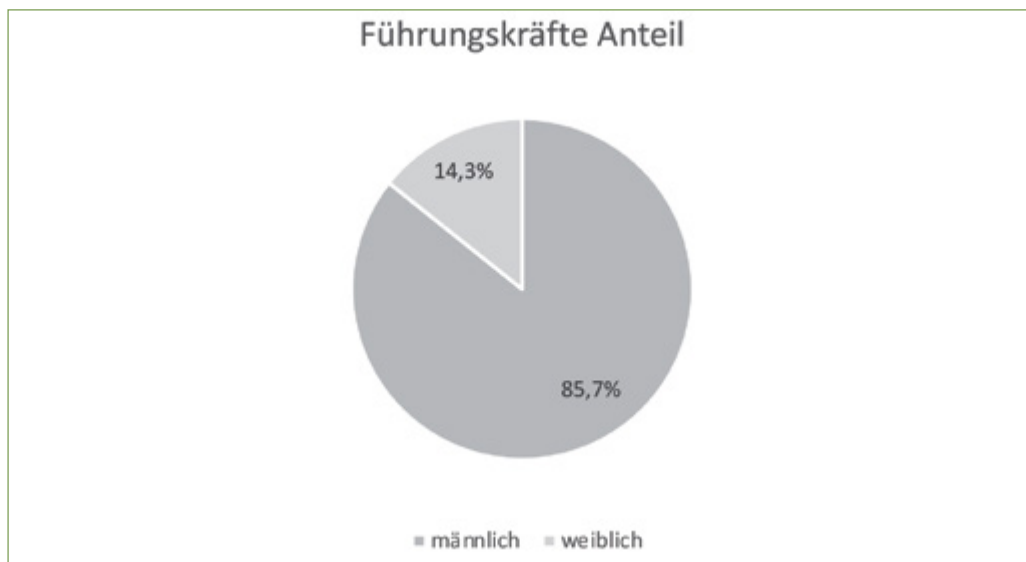
Employee structure (ESRS S1 [↗](#))

Of the 259 employees on our books at the end of the year, 54 are women, representing 21% of the workforce. We currently have very few women working in warehouse logistics in particular due to the sometimes physically demanding nature of the work, which is a major factor in this low proportion of female staff.



Management (ESRS S1 [↗](#))

The proportion of women in managerial positions rose from 11% to 14.3% as at the reporting date.

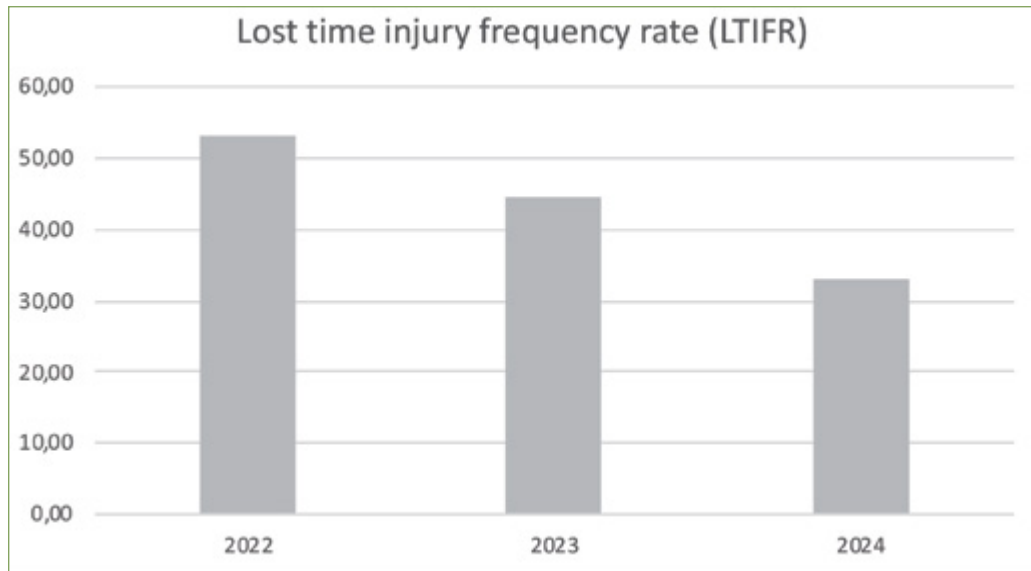


Staff turnover rate excluding retirements (ESRS S1 [↗](#))

The staff turnover rate in 2024 stood at 14.6%, excluding retirements, taster days and fixed-term contracts.

Absenteeism due to accidents (ESRS S1 [↗](#))

A total of 19 workplace accidents in 2024 resulted in 2,471 hours of lost working time, with 15 of these accidents leading to more than three days' absence from work. The 'lost time injury frequency rate' (LTIFR), as a standard metric, further improved last year from 44.7 to 33 due to fewer workplace accidents.



Paid overtime for workers (ESRS S1 [↗](#))

Overtime paid to workers in 2024 accounted for an average of 20.3% of the fixed salary paid in excess of the collective agreement.

Voluntary social benefits (ESRS S1 [↗](#))

In addition to monthly salaries and wages, the EHG funds further voluntary social benefits, such as a meal allowance for lunch in the canteen, Jobticket travel passes, support for clubs, anniversary celebrations, staff outings, events and workwear. These voluntary social expenditure items accounted for 2.80% of total wage costs paid out in the reporting year.

Supply chains

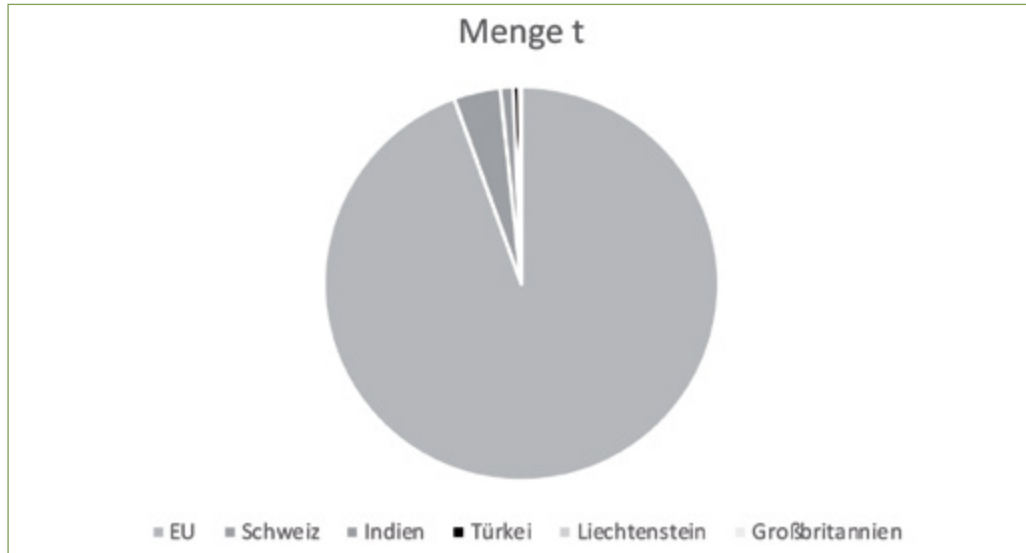
Reliable key figures and data for the supply chain, from raw material suppliers to EHG, are still very scarce and difficult to obtain. The following key figures are intended to provide at least a rough overview and can hopefully be supplemented with more meaningful detailed data in the coming years.

Countries of EHG suppliers (ESRS E5 [↗](#), ESRS S2 [↗](#))

Of the purchased volumes (based on tonnage), 94% were sourced by EHG from suppliers within the EU. However, the country of origin is not always the same as the supplier's country, because traders do not necessarily source and deliver goods from their own country.

» EHG sustainability in figures

In terms of volume, the goods purchased by EHG in 2024 were sourced from suppliers in the following countries:



Supplier risk profile (ESRS E2 [↗](#), ESRS S2 [↗](#))

Based on the abstract risk analysis in IntegrityNext – i.e. country and sector risk – the following risk assessment applies to the 167 main EHG suppliers with an annual turnover of more than € 250,000.



Of the 18 suppliers with high country and sector risk, four have improved their status from red to dark grey following a detailed assessment.

Flustron reports (ESRS S1 [↗](#), ESRS S2 [↗](#), ESRS S3 [↗](#))

In 2024, no reports were received via the anonymous whistleblowing platform Flustron from either internal or external individuals. The whistleblowing platform has been used group-wide by EHG since July 2023 and there is a link to it on the EHG website. A corresponding graph is therefore unnecessary.

Summary

With this third sustainability report, EHG aims to recognise the importance of environmental, sustainability and socially responsible corporate governance issues. Once again, we have attempted to summarise our guiding principles and specific measures in this area in a concise format, thereby enabling our customers and stakeholders to better assess the EHG Group in relation to the ESG risks and opportunities addressed.

In the spirit of a comprehensive materiality analysis, we welcome your suggestions and feedback for future reports. If we have not been able to answer all of your questions regarding EHG's sustainability or if, in your view, relevant aspects are still to be addressed then do not hesitate to get in touch with us.

Imprint

EHG Stahlzentrum GmbH & Co OG
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Graphic design and implementation:
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EHG. **Strength as a group.**

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